GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4215
ANSWERED ON:19.04.2002
CONCENTRATE ON SEZS/AEZS
ALE NARENDRA;PUSHPDAN SHAMBHUDAN GADHAVI;RAMPAL SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of Special Economic Zones (SEZs) and Agro Export Zones (AEZs) under operation in the country, State-wise and location-wise;

(b) the extent to which the small entrepreneurs are being benefited from these zones and the agricultural commodities being processed in these AEZs;

(c) whether the Government propose to give more concentration Special Economic Zones and Agro Export Zones in order to encourage country` export during the coming yearas;

(d) if so, the details thereof alongwith the details of specific incentives proposed for these SEZs / AEZs;

(e) the number of SEZs / AEZs proposed to be opened alongwith their locations during 2002-03 in addition to existing SEZs / AEZs ; and

(f) the extent to which the country`s exports likely to be boost up as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a): Four erstwhile Export Processing Zones converted into Special Economic Zones located at Santa Cruz (Mumbai), Cochin (Kerala), Kandla and Surat (Gujarat) are in operation.In addition, approvals have been given for setting up of 13 Special Economic Zones in joint sector /State Government and for 20 Agri Export Zones (AEZs). These Zones are under implementation.

(b): The AEZs are expected to make agricultural exports more competitive.

(c): SEZs/AEZs are the new export promotion schemes intended to boost the exports from the country.

(d): Incentives offered under SEZ scheme include duty free importation/domestic procurement of goods for development of SEZ and setting up of unit, 100% FDI in manufacture sector under automatic route, corporate tax holiday to SEZ units upto 2010, subcontracting of part of production abroad, reimbursement of Central sales Tax on domestic purchases by the SEZ units, retention of 100% foreign exchange earning in EEFC accounts, removal of cap in foreign investment in SSI reserved items and procedural simplification of operation like record keeping etc.. Some of the incentives proposed include treating of supplies from domestic area to SEZ as physical exports and enhancement of income-tax incentives available to SEZ developers/SEZ units.

Incentives proposed for AEZs include financial assistance by Central Government agencies like APEDA etc. for productive enhancement, irrigation, international level packaging facilities, market development, credit to exporters for bulk purchase of inputs at concessional rate, freight and transport assistance for selected products for selected regions, sourcing of capital goods at concessional rate of duty under the EPCG scheme, enhanced period for fulfillment of export obligation and exemption from sales tax and other taxes and duties on input.

(e) and (f): The approved SEZs/AEZs are to be developed essentially by the private sector and are in the initial stages of implementation. It is not possible to quantify the likely increase in exports through the SEZs/AEZs, at this stage.